



Administrator
Washington, DC 20201

SEP 13 2002

Mr. Kevin W. Concannon
Commissioner
State of Maine
Department of ~~Human~~ Services
11 State House Station
Augusta, Maine 04333-0011

Dear Mr. Concannon:

We are pleased to inform you that your Medicaid demonstration, entitled "Maine ~~Care~~ for Childless Adults," has been approved as project number 11-~~W~~-00158/1. Approval is under the authority of section 1115 of the Social Security Act (the Act) and covers the period October 1, 2002, through September 30, 2007.

Maine's request ~~was~~ considered under ~~the~~ Administration's Health Insurance Flexibility and Accountability (HIFA) demonstration initiative. Under HIFA, this Administration puts a particular emphasis on broad, statewide coverage approaches like Maines', that target Medicaid resources to populations with income below 200 percent of the Federal poverty level (**FPL**) and that also seek to maximize private health insurance coverage options.

Enclosed are the special terms and conditions that define State responsibilities ~~and the~~ nature, character, and extent of anticipated Federal involvement in the project. This award is subject to our receiving your ~~written~~ acceptance of the award ~~and~~ special terms and conditions within 30 days of the date of this letter.

All requirements of the Medicaid program expressed in law, regulation, and policy statement, not expressly waived or identified ~~as~~ not applicable in this letter, shall apply to the "Maine Care for Childless Adults" demonstration. In addition, the requirements of the special terms ~~and~~ conditions shall apply to this demonstration.

~~Under~~ authority of section 1115(a)(2) of the Act, expenditures ~~made~~ by Maine under ~~the~~ demonstration for the population identified below (which are not ~~otherwise~~ included ~~as~~ expenditures under section 1903) shall, for the period of this demonstration, be regarded ~~as~~ expenditures under Maine's Title XIX plan.

1. Expenditures for medical assistance equivalent to ~~the~~ standard Medicaid benefits for childless adults who are not eligible under the State plan and have family income that is ~~equal~~ to or less than a level specified annually by the State and approved by the Secretary; such level shall not exceed 125 percent of the FPL.

These expenditure authorities do not include **costs** for individuals who are ineligible for Federal means-tested benefits by reason of the Personal Responsibility Work Opportunity Reconciliation Act of 1996.

Congratulations on the approval of your innovative approach to expanding health care coverage to the uninsured. We look forward to working with you on its implementation. Your project officer is Ms. Julie Jones, who may be contacted at **(410) 786-3039** or via email at jjones5@cms.hhs.gov. Your regional office contact will be Mr. Irvin Rich, who can be reached at (617) 565-1247 or via email at irich@cms.hhs.gov. Communications regarding program and administrative matters should be submitted to the project officer at the following address:

Centers for Medicare & Medicaid **Services**
Center for Medicaid and State Operations
Family and Children's Health Programs Group
Division of Integrated Health **Services**
7500 **Security** Boulevard, Mailstop **S2-01-16**
Baltimore, MD 21244

Again, thank you for all the hard work and effort, and we look forward to working with you during the course of the demonstration.

Sincerely,

Thomas A. Scully

Enclosure